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Assistant Director for Research and Reports 18 September 1957

THRU : Chief, Economic Research Area

Chief, Materials Division, ORR

Soviet Proposal for Long Term Exchanges

1. Mr. Zaroubin, Soviet Ambassador to the U.S., recently presented a memorandum to Ambassador Lacy of the State Department proposing the initiation of exchanges in certain fields lasting for a period of from three to six months (copy attached). This proposal was discussed at the 17 September meeting of the Ad Hoc committee on exchanges, which the undersigned attended.

2. Mr. Bundy, Chairman, asked the State representative to comment on the support State would need from the intelligence community in considering this proposal. Mr. Buford replied that the Soviet motivation in proposing the longer term exchanges was probably to get greater technological gain than could be secured from shorter exchanges. The department felt, nonetheless, that the Soviet proposal should be given serious consideration. The department felt that the maximum period of a long term exchange would probably be three months rather than six months. Mr. Buford suggested that the proposed exchanges be listed in order of priority [redacted] 25X1

[redacted] State felt that it might be necessary, in order to stimulate industry interest, to have the White House call a conference of leading industrialists, since trips of as much as three months would probably not pay off from a company's own individual point of view. 25X1

[redacted]

4. When asked to comment, I stated that a real concensus had not yet developed in ORR regarding the net advantage from long term exchanges. One of the reasons for this condition was the broadness and vagueness of the Soviet proposal. For example, the chemical industry covers many diverse activities, some of which might yield profitable exchanges and some of which might not do so. Also, Soviet technological gain becomes a paramount consideration in long term exchanges as opposed to short term exchanges. [redacted] 25X1 25X1

[redacted]

State Dept. review completed

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25X1

[redacted]

5. Various members of the committee mentioned railroads, shipbuilding, banking, civil air, and general economics as fields which the US might propose for addition to the Zarubin list.

6. The committee concluded by deciding to ask each of the appropriate IAC subcommittees to comment on the probable net advantage in each of the exchanges proposed in the Zarubin memorandum. Mr. Bundy recognized that these statements would have to be highly tentative at this stage of the game. He stated that they were needed, however, for a US-USSR October meeting on the general subject of East-west exchanges, for which the USSR has already proposed an agenda (copy attached).

[redacted] 25X1

Enclosures:
(1 copy each --
sent with orig.)
1. Zarubin memo
2. USSR proposed agenda

Distribution:
Orig. and 1 - AD/RR
1 - Ch/E
2 - D/M

cc: 1 - D/I
1 - D/A
1 - D/S

25X1 [redacted]

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